

**TESTIMONY OF THE HONORABLE DOREEN HAGEN
PRESIDENT OF THE PRAIRIE ISLAND INDIAN COMMUNITY
BEFORE THE UNITED STATES SENATE COMMITTEE ON INDIAN AFFAIRS
TUESDAY, JUNE 28, 2005**

Good morning Chairman McCain, Vice-Chairman Dorgan and honorable members of the Committee. Thank you for the opportunity to testify today on the regulation of Indian gaming. My name is Doreen Hagen. I am a member of the Prairie Island Indian Community, a United States Veteran, and President of the Prairie Island Indian Community Tribal Council. Prior to being elected to Tribal Council, I was one of the first Commissioners on the Prairie Island Indian Community Gaming Commission. During my tenure, I served as the Commissioner of Vendor Licensing and later I became the Assistant Executive Director.

The Prairie Island Indian Community is a federally-recognized, sovereign, self-governing Indian Tribe located in the state of Minnesota along the banks of the Mississippi River north of the City of Red Wing. My tribe is a Mdewakanton Dakota Community; the literal translation of Mdewakanton is “dwellers of Spirit Lake” and Dakota means “ally.” Tinta Wita or Prairie Island has provided for the needs of my people for centuries; it is a spiritual place. Over the years, this land has provided food, medicine and housing for my tribe, especially following the Dakota Conflict when times were especially challenging.

More recently, Prairie Island has provided my tribe with economic opportunities, namely casino gambling. In 1984, we opened a Bingo Parlor known as Island Bingo. Tribal members worked hard to make certain that the enterprise was run well and provided for good jobs for the membership. Many tribal members can tell you stories of late nights and hard work, lean times but happy times, making the bingo enterprise a success. Following the *Cabazon* decision, and subsequent passage of the Indian Gaming Regulatory Act (IGRA) in 1988, my tribe successfully negotiated compacts with the State of Minnesota and our modest bingo operation was transformed into a casino, known as

Treasure Island Resort & Casino. Throughout our business' existence, we have been proud of our record of regulatory compliance and our positive and productive relationships with state and federal regulatory and legislative bodies.

As a result of hard work, responsible management, and aggressive regulation, Treasure Island has become a great economic success, both for my tribe and the State of Minnesota. Our casino employs over 1,500 people, 95% of whom are non-Indians, residing near our reservation. As such, the Prairie Island Indian Community is the largest employer in Goodhue County, providing good paying jobs with great benefits in rural Minnesota without any assistance from the State of Minnesota. Prairie Island, and other Indian Gaming Operations in Minnesota are great examples of successful rural economic development in Minnesota. We are economic enterprise zones that cost the residents of Minnesota nothing.

For centuries, my tribe has been a careful steward of its resources. In the past, the tribe cared for the bounty of Prairie Island, which provided for our sustenance. Similarly today, the tribe carefully attends to its economic enterprise, Treasure Island, and that stewardship is implemented by aggressive and thorough regulation.

Our tribe works closely with the Minnesota Department of Public Safety and its Alcohol Gambling Enforcement Division. We have a good relationship with the division's Deputy Director, Frank Ball; the late Ralph Shingledecker; Special Agent, Norm Pint and the agent assigned to our property, Jill Ahart. The state officials have and will always have an open door at Treasure Island. In addition, we work with the National Indian Gaming Commission (NIGC) to ensure we meet all standards as described by the Minimum Internal Control Standards (MICS.)

First and foremost, however, our tribe takes full responsibility for the regulation of our tribal government gaming operation through the Prairie Island Indian Community Gaming Commission. We are very proud of their work and their regulatory reputation.

The Prairie Island Indian Community Gaming Commission is an autonomous regulatory arm of our Tribal Government. It is the principal regulator of all gaming activities at Prairie Island. The Commission is responsible for the day-to-day oversight of gaming activities and ensures the business adheres to all regulatory requirements set forth in IGRA, the federal MICS, our compact with the State of Minnesota and the Prairie Island Gaming Ordinance.

The Commission is comprised of 5 members, an Executive Director and Commissioners of Employee Licensing, Vendor Licensing, Compliance and Surveillance.

Commissioners are appointed officials and have no term limits. Commissioners are rigorously trained in every aspect of the gaming operation before assuming their role as Commissioner and each Commissioner is, therefore, cross-trained in the Department of the other Commissioners. Each Commissioner oversees his or her respective Department and reports concerns to the full Commission for action. The Commission has a staff of 12 employees. All Gaming Commission employees receive weeks of training and testing before assuming the responsibility of their job. Moreover, employees attend continuing education courses, conference and seminars as appropriate.

The Commission's obligation to protect the Gaming facility and its integrity is realized in two principal ways: first by controlling access to the facility by third parties through its Employee and Vendor Licensing departments; and second by internal policing through its Compliance and Surveillance departments.

The Commission's Employee Licensing Department has a staff of 5 employees. These employees conduct full background checks on all applicants for employment at Treasure Island, which includes at a minimum, a full FBI background check, state and local criminal checks, driver's license and credit checks, and checks on past residences and employment. Once a full background check is completed, it is forwarded along with a recommendation regarding the applicant's licensing to the Commissioner of Employee Licensing. If an applicant or licensee is determined by the Commission to pose a potential threat to the integrity of gaming at Treasure Island, his or her license is denied

or suspended. Applicants are entitled to a full post-deprivation due process hearing, including the opportunity to request reconsideration by the Commission en banc.

Recently, the Employee Licensing Department converted to electronic fingerprinting, which has reduced the time for background checks from days or months to minutes. As is true with all other Departments of the Commission, the Employee Licensing Department is always looking to improve its efficiency and performance through improved technology.

The Commission also conducts full background investigations and licenses casino vendors via its Vendor Licensing Department. Although not required by the IGRA or its implementing regulations, the Commission has fulfilled this function for many years. Background checks for vendors are tiered based on the level of economic activity the vendor has with the casino. Only licensed and approved vendors can do business with the casino, regardless of whether a contract has been executed or agreed to, and a list of approved vendors is available on-line for casino management.

The Commission's regulation and oversight of vendors extends from enormous gaming vendors down to charter bus providers, who must demonstrate their licensure and good standing with the Minnesota Department of Transportation and the United States Department of Transportation. Vendor licensing applications are available and can be completed on-line on the casino's web site.

Internal monitoring of gaming activities at Treasure Island is accomplished by the Commissioner of Surveillance who works closely with the casino's Surveillance Department. In 2002, the department installed a state of the art, all digital surveillance system valued at over \$5 million dollars, the first such system in the entire gaming industry. The system provides clarity of images that far exceeds any analog technology and allows the operators to instantly review recorded images while simultaneously watching on-going activity. The new system has proven to be an invaluable tool in monitoring the integrity of the business, tracking potentially illegal activity and in

assisting in the prosecution and conviction of individuals engaged in such activity. The technology is so advanced that the NIGC is reviewing its MICS for surveillance requirements, which are still based on out-dated analog technology.

The Commission's internal oversight is also fulfilled by the Compliance Department whose purpose is ensure that the business follows all federal, state and tribal regulatory guidelines. The Department includes Compliance Inspectors who are on property 24-hours a day. The inspectors observe day-to-day activities for complete regulatory compliance. If the inspectors discover any deviation, the incident is documented and forwarded to the Commissioner of Compliance. In turn, the Commissioner meets with the Department responsible to resolve the deviation and if necessary a citation is issued to the responsible department. Failure to comply with the recommendations from the Compliance Department will result in disciplinary action up to and including fines, gaming license suspension, gaming license revocation and even employment termination.

The Prairie Island Indian Community Gaming Commission provides a complete regulatory structure for the tribe's government gaming operation. The Commission prevents potential threats to the business' integrity from third parties and it internally monitors the business for compliance with all federal, state and tribal regulations.

As has been the case for centuries before Europeans arrive here, the Prairie Island Indian Community takes its stewardship responsibilities very seriously and its current gaming regulatory responsibility is no exception. Our tribal government gaming operation is the lifeblood of our Tribal Community and helps support the economies of our neighbors and friends. Prairie Island's members now have sanitary water and sewer, good housing, paved roads, good health care and educational opportunities that never existed before tribal gaming. Moreover, we have the resources and time to revitalize our culture and traditions.

The regulation and the integrity of our business are vital to our very survival. On every occasion we have met, and in many instances exceeded, all federal and state regulatory

guidelines because of their importance to our business as well as their importance to the Prairie Island Indian Community.

We do not believe that the Indian Gaming Regulatory Act needs to be amended. The regulatory guidelines it includes allow tribes to self-govern in the manner intended by this Committee and the United States Government. As a proud leader in Indian Country, I can assure you that the privilege and responsibility of governing and providing for one's people is something no tribe would place in jeopardy.

Pidamaya. Thank you. I will answer any questions you may have.